

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

FOREST HILLS DEVELOPERS, INC.

ALLEGED VIOLATIONS OF KRS 278.160

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)
) CASE NO. 95-197
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O R D E R

On May 4, 1995, Forest Hills Developers, Inc. ("Forest Hills Developers") was directed to appear before the Commission and show cause why it should not be penalized pursuant to KRS 278.990 for its alleged failure to comply with KRS 278.160 and KRS 278.170.

Following the commencement of this proceeding, Forest Hills Developers and Commission Staff entered into negotiations to resolve all disputed issues. On August 16, 1995, they executed a Settlement Agreement, which is appended hereto, and subsequently submitted it for Commission approval.

In reviewing this Settlement Agreement, the Commission has considered, inter alia, the seriousness of the violations and Forest Hills Developers' willingness to correct the noted violations.

After reviewing the Settlement Agreement and being otherwise sufficiently advised, the Commission finds that the Settlement Agreement is in accordance with the law, does not violate any regulatory principle, results in a reasonable resolution of this case, and is in the public interest.

IT IS THEREFORE ORDERED that:

1. The Settlement Agreement, appended hereto, is incorporated into this Order as if fully set forth herein.

2. The terms and conditions set forth in the Settlement Agreement are adopted and approved.

3. Forest Hills Developers is assessed a penalty of One Hundred (\$100) Dollars.

4. Forest Hills Developers shall pay the assessed penalty within 10 days of the date of this Order by certified check or money order made payable to Treasurer, Commonwealth of Kentucky. Said check or money order shall be mailed or delivered to the Office of General Counsel, Public Service Commission of Kentucky, 730 Schenkel Lane, P. O. Box 615, Frankfort, Kentucky.

Done at Frankfort, Kentucky, this 25th day of August, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

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SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered this 16th day of August, 1995, by and between FOREST HILLS DEVELOPERS, INC. ("Forest Hills Developers") and the STAFF OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY ("Commission Staff").

W I T N E S S E T H :

THAT, WHEREAS, on January 10, 1995, A.B. Schlatter, the president of Forest Hills Developers, testified in Case No. 94-264 that Forest Hills Developers is providing free utility service to its present and former corporate officers; and,

WHEREAS, Public Service Commission records do not indicate that the Public Service Commission has agreed to this practice or that Forest Hills has submitted this practice to the Public Service Commission for its review; and,

WHEREAS, on May 4, 1995, the Public Service Commission ordered Forest Hills Developers to show cause why it should not be subject to the penalties of KRS 278.990(1) for its alleged violation of KRS 278.160; and,

WHEREAS, Forest Hills Developers and Commission Staff have agreed to the following factual matters:

- 1. On or before January 1, 1974, Forest Hills Developers provided free sanitary sewer service to its corporate officers.**
- 2. The corporate officers who received free sanitary sewer service are A.B. Schlatter, Fred Schlatter, and Margie Weber.**
- 3. The Public Service Commission never approved nor consented to Forest Hills Developers' practice of providing free sanitary sewer service to its corporate officers.**
- 4. Forest Hills Developers' practice of providing free sanitary sewer service to its corporate officers without Public Service Commission approval is a violation of KRS 278.160 and 278.170.**
- 5. On June 14, 1995, Forest Hills Developers instructed the Louisville Water Company - its billing and collections agent - to begin billing its corporate officers for sanitary sewer service.**

WHEREAS, Forest Hills Developers and Commission Staff desire to settle the issues raised by this proceeding.

NOW, THEREFORE, Forest Hills Developers and Commission Staff agree as follows:

- 1. Forest Hills Developers shall pay a penalty of One Hundred Dollars (\$100.00) for its violations of KRS 278.160 and KRS 278.170. Payment shall be made within twenty (20) days of the date of the Public Service Commission's acceptance of this Settlement Agreement.**
- 2. Forest Hills Developers shall not provide free sanitary sewer service to any person without first obtaining the approval of the Public Service Commission.**

3. Commission Staff shall recommend to the Public Service Commission that this Settlement Agreement be approved and that this proceeding be closed and removed from the Public Service Commission's docket.

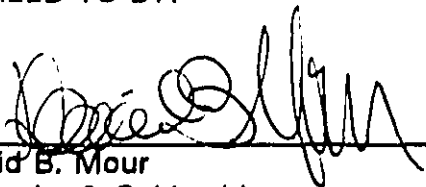
4. This Settlement Agreement is subject to the acceptance of and approval by the Public Service Commission.

5. If the Public Service Commission fails to accept and approve this Settlement Agreement in its entirety, this proceeding shall go forward and neither the terms of this Settlement Agreement nor any matters raised during settlement negotiations shall be binding on any signatory.

6. If the Public Service Commission accepts and adopts this Settlement Agreement in its entirety and enters an order in this proceeding to that effect, Forest Hills Developers shall neither apply for rehearing in this proceeding nor bring an action for review of that order.

7. The failure of any signatory to comply with the terms of this Settlement Agreement shall render this Settlement Agreement null and void and shall permit the Public Service Commission to resume its proceedings in Case No. 95-197.

AGREED TO BY:

A handwritten signature in black ink, appearing to read "David B. Mour", is written over a horizontal line.

David B. Mour
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(502) 584-7371

COUNSEL FOR FOREST HILLS DEVELOPERS, INC.



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COUNSEL FOR THE STAFF OF THE PUBLIC SERVICE
COMMISSION OF KENTUCKY